

Liquidity Coverage Ratio Information (Consolidated)

Sumitomo Mitsui Banking Corporation and Subsidiaries

Since March 31, 2015, the “Liquidity Coverage Ratio” (hereinafter referred to as “LCR”), the liquidity ratio regulation under the Basel III, has been introduced in Japan. In addition to the application of uniform international standards, SMBC calculates its consolidated LCR using the calculation formula stipulated in the “Criteria for Evaluating the Soundness of Liquidity Status Set Forth by a Bank as a Benchmark for Judging its Soundness of Management, Based on the Provision of Article 14-2 of the Banking Act” (Notification No. 60 issued by the Japanese Financial Services Agency in 2014; hereinafter referred to as the “LCR Notification”).

■ Disclosure of Qualitative Information about Liquidity Coverage Ratio

1. Intra-period Changes in Consolidated LCR

As described on the following page, the LCR has remained stable since the introduction of the liquidity ratio regulation on March 31, 2015.

2. Assessment of Consolidated LCR

The LCR Notification stipulates the minimum requirement of the LCR at 100%. The LCR of SMBC (consolidated) exceeds the minimum requirements of the LCR, having no cause for concern. In terms of the future LCR forecasts, SMBC does not expect significant deviations from the disclosed ratios. In addition, the actual LCR does not differ significantly from the initial forecast.

3. Composition of High-Quality Liquid Assets

Regarding the high-quality liquid assets allowed to be included in the calculation, there are no significant changes in locations and properties of currency denominations, categories and so on. In addition, in respect of major currencies (those of which the aggregate amount of liabilities denominated in a certain currency accounts for 5% or more of SMBC's total liabilities on the consolidated basis), there is no significant mismatch in currency denomination between the total amount of the high-quality liquid assets allowed to be included in the calculation and the amount of net cash outflows.

4. Other Information Concerning Consolidated LCR

SMBC has not applied “special provisions concerning qualifying operational deposits” prescribed in Article 29 of the LCR Notification and “increased liquidity needs related to market valuation changes on derivative or other transactions simulated through Scenario Approach” prescribed in Article 38 of the LCR Notification. Meanwhile, SMBC records “due to trust account,” etc. under “cash outflows based on other contracts” prescribed in Article 60 of the LCR Notification.

■ Disclosure of Quantitative Information about Liquidity Coverage Ratio (Consolidated)

(In million yen, %, the number of data)

| Item | | Current Quarter (From 2020/1/1 To 2020/3/31) | | Prior Quarter (From 2019/10/1 To 2019/12/31) | |
|--|---|--|----------------------------|--|----------------------------|
| High-Quality Liquid Assets (1) | | | | | |
| 1 | Total high-quality liquid assets (HQLA) | 63,857,207 | | 64,495,445 | |
| Cash Outflows (2) | | | | | |
| | | TOTAL UNWEIGHTED VALUE | TOTAL WEIGHTED VALUE | TOTAL UNWEIGHTED VALUE | TOTAL WEIGHTED VALUE |
| 2 | Cash outflows related to unsecured retail funding | 51,569,057 | 4,043,605 | 50,794,060 | 3,989,544 |
| 3 | of which, Stable deposits | 15,941,139 | 480,193 | 15,605,762 | 470,103 |
| 4 | of which, Less stable deposits | 35,627,918 | 3,563,412 | 35,188,298 | 3,519,441 |
| 5 | Cash outflows related to unsecured wholesale funding | 67,378,301 | 33,595,357 | 66,460,732 | 32,969,328 |
| 6 | of which, Qualifying operational deposits | — | — | — | — |
| 7 | of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities | 62,517,563 | 28,734,620 | 61,709,391 | 28,217,987 |
| 8 | of which, Debt securities | 4,860,738 | 4,860,738 | 4,751,341 | 4,751,341 |
| 9 | Cash outflows related to secured funding, etc. | 209,707 | | 192,472 | |
| 10 | Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities | 24,385,085 | 7,838,434 | 24,248,308 | 7,676,828 |
| 11 | of which, Cash outflows related to derivative transactions, etc. | 1,471,642 | 1,471,642 | 1,519,563 | 1,519,563 |
| 12 | of which, Cash outflows related to funding programs | 428,946 | 428,946 | 254,594 | 254,594 |
| 13 | of which, Cash outflows related to credit and liquidity facilities | 22,484,498 | 5,937,846 | 22,474,151 | 5,902,672 |
| 14 | Cash outflows related to contractual funding obligations, etc. | 7,847,102 | 5,888,911 | 7,216,805 | 5,514,918 |
| 15 | Cash outflows related to contingencies | 65,118,323 | 1,249,957 | 67,347,605 | 1,334,815 |
| 16 | Total cash outflows | 52,825,972 | | 51,677,905 | |
| Cash Inflows (3) | | | | | |
| | | TOTAL UNWEIGHTED VALUE | TOTAL WEIGHTED VALUE | TOTAL UNWEIGHTED VALUE | TOTAL WEIGHTED VALUE |
| 17 | Cash inflows related to secured lending, etc. | 3,202,109 | 123,786 | 2,458,964 | 71,434 |
| 18 | Cash inflows related to collection of loans, etc. | 3,251,582 | 2,369,650 | 2,620,401 | 1,839,301 |
| 19 | Other cash inflows | 2,119,675 | 1,048,771 | 2,122,165 | 970,240 |
| 20 | Total cash inflows | 8,573,366 | 3,542,207 | 7,201,531 | 2,880,975 |
| Consolidated Liquidity Coverage Ratio (4) | | | | | |
| 21 | Total HQLA allowed to be included in the calculation | 63,857,207 | | 64,495,445 | |
| 22 | Net cash outflows | 49,283,765 | | 48,796,930 | |
| 23 | Consolidated liquidity coverage ratio (LCR) | 129.5% | | 132.1% | |
| 24 | The number of data used to calculate the average value | 58 | | 62 | |

Notes: 1. The data after the introduction of the liquidity ratio regulation on March 31, 2015 is available on Sumitomo Mitsui Financial Group's website. (https://www.smfg.co.jp/english/investor/financial/basel_3.html)

2. The average values are calculated based on daily data in accordance with Notification No. 7 issued by the Japanese Financial Services Agency in 2015. Some data, such as attribute information of customers and data on consolidated subsidiaries, is updated on the monthly or quarterly basis.

■ Breakdown of High-Quality Liquid Assets

(In million yen)

| Item | | Current Quarter (From 2020/1/1 To 2020/3/31) | | Prior Quarter (From 2019/10/1 To 2019/12/31) | |
|------|---|--|--|--|--|
| 1 | Cash and due from banks | 55,140,341 | | 56,224,520 | |
| 2 | Securities | 8,716,866 | | 8,270,925 | |
| 3 | of which, government bonds, etc. | 6,222,267 | | 5,861,487 | |
| 4 | of which, municipal bonds, etc. | 75,678 | | 46,533 | |
| 5 | of which, other bonds | 1,080,960 | | 896,419 | |
| 6 | of which, stocks | 1,337,962 | | 1,466,485 | |
| 7 | Total high-quality liquid assets (HQLA) | 63,857,207 | | 64,495,445 | |

Note: The above amounts are those of high-quality liquid assets in accordance with the liquidity ratio regulation under the Basel III and do not correspond to the financial amounts. The amounts stated are those after multiplying factors in the liquidity ratio regulation under the Basel III.